



The Regional Municipality of Durham Confidential Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2024-F-22
Date: December 10, 2024

Subject:

Confidential Report of the Commissioner of Finance – Proposed or Pending Acquisition of Land for Regional Corporation Purposes relating to Property in the City of Oshawa.

Recommendation:

That the Finance and Administration Committee recommends to Regional Council:

- A) That negotiation of a purchase agreement for property for the proposed Wentworth Street (Regional Road 60) Reconstruction Project between Cedar Street and Farewell Street (Regional Road 56) in the City of Oshawa and the relocation of the Durham Region Police Service’s Regional Reporting Centre, identified as all of PIN 16381-0006 (LT), having the municipal address of 991 Simcoe Street South, Oshawa be approved at an upset limit of \$9,667,200 and conditional on the Region’s acceptance of the results of the environmental due diligence detailed as follows:

991 Simcoe Street	991 Simcoe Street South	\$9,667,200
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Part of Block B, Plan 322; Part of Lot C-18, Sheet 30, Plan 355; Part of Wentworth Street, Plan 322 Oshawa (Closed by Bylaw OS43661) designated as Parts 1, 2, 3 and 4 on 40R-32032, in the City of Oshawa, identified as all of PIN 16381-0006 (LT)

- B) That all agreements and reports required for the property acquisition related to the proposed Wentworth Street (Regional Road 60) Reconstruction Project and the Durham Region Police Service’s Regional Reporting Centre approved in accordance with the Delegation of Authority By-Law 04-2023 or by Regional Council, remain

confidential in accordance to Section 239(2)(c) of the Municipal Act as it relates to a proposed or pending acquisition or disposition of land for Regional Corporate purposes and only be released publicly by the Commissioner of Works once all compensation claims have been resolved on a full and final basis;

- C) That the total costs for this land acquisition, including closing costs, survey and environmental fees, estimated at \$10,000,947 be financed as follows:

Regional Works Portion

Regional Roads Levy (Capital Project #R1823)	\$1,886,305
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Durham Regional Police Service Portion

2024 Budget - Debenture Financing	<u>\$8,114,642</u>
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Total Financing	<u>\$10,000,947</u>
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- D) That the Commissioner of Finance/Treasurer be authorized to take all necessary steps to obtain debenture financing and execute any required documents; and
- E) That the Commissioner of Works be authorized to execute all documents associated with the transaction, including but not limited to an Agreement of Purchase and Sale to permit the purchase of the 991 Simcoe Street property.

Report:

1. Purpose

- 1.1 The purpose of this report is to advise Committee and Council of a request from the Durham Regional Police Service Board for the acquisition of 991 Simcoe Street South in Oshawa for the relocation of the Durham Regional Police Service Regional Reporting Centre and to obtain Council direction regarding this property acquisition request. The Works department also requires a portion of this property acquisition for the reconstruction of Wentworth Street (Regional Road 60).

2. Background

- 2.1 The Region requires 4,611.6 square metres (1.1396 acres) from 991 Simcoe Street South, Oshawa, for the realignment of Wentworth Street (Regional Road 60). Of the total 24,451.0 square metres (6.0420 acres) property, 19,839.4 square metres (4.9024 acres) will remain.

- 2.2 A third-party appraisal completed on behalf of the Region estimated a market value of \$1,600,000 per acre for the property, with an additional \$400,000 in Injurious Affection (loss in value) to the remaining property. The Injurious Affection is due to shape changes to the site as a result of the taking, which will result in a loss of development potential.
- 2.3 Injurious Affection to the remainder of the site will not be applicable if the whole property is acquired. The Region can use the remainder of the property to relocate the Durham Region Police Service's Regional Reporting Centre, currently located at 650 Rossland Road East, Whitby. The relocation of the Durham Region Police Service's Regional Reporting Centre will facilitate the redevelopment of 590 and 650 Rossland Road East, Whitby, for affordable housing.

3. Previous Reports and Decisions

- 3.1 In March 2024, Regional Council, through [Report #2024-F-3](#), approved \$9,000,000 in debenture financing for land acquisition and associated costs for the relocation of the Durham Regional Police Service's Regional Reporting Centre from 650 Rossland Road East, Whitby, to facilitate the redevelopment of 590 and 650 Rossland Road East, Whitby, for affordable housing.
- 3.2 In 2022, through Council recess, approval for the reallocation of financing totaling \$2,950,000 from the Liberty Street (Regional Road 14) project to the property acquisition for the reconstruction of Wentworth Street project from the Oshawa Creek Bridge to Farewell Street project was received.
- 3.3 Additional financing for the Wentworth Street (Regional Road 60) Reconstruction Project was approved in the Region of Durham Works Department Regional Road Program 2023 Capital Budget.

4. Request from Durham Regional Police Service Board

- 4.1 As noted in Attachment #2 and Attachment #3, the Durham Regional Police Service Board, at their October 15, 2024 meeting, approved the property acquisition of 991 Simcoe Street South in Oshawa for the relocation of Durham Regional Police Service's Regional Reporting Centre to be funded from the 2024 approved Durham Regional Police Services Business Plans and Budget.

5. Property Acquisition

- 5.1 The consultant, GHD Inc, is completing environmental studies of the subject property at 991 Simcoe Street South to determine if the site is supportive of the proposed DRPS use. The Agreement of Purchase and Sale is conditional on the environmental studies supporting the proposed DRPS use.
- 5.2 2522031 Ontario Inc., owner of the subject property, has amicably agreed to the purchase price, being \$9,667,200.

6. Financial Implications

- 6.1 Section 15.2 of the Region's Budget Management Policy indicates that for capital projects of the Durham Regional Police Service Board, the CAO and Finance Department shall be consulted and a report to the Finance and Administration Committee and Council that provides an appropriate business case, including items such as revenue projections, financing and risks and sensitivity analyses, shall be submitted for approval.
- 6.2 The following table details the total estimated costs and financing for Durham Regional Police Service and Works Department for their proportional share of the property acquisition and associated costs for 911 Simcoe Street South in Oshawa.

Expenditures	Project Budget
Land Purchase:	
Durham Regional Police Service Portion (4.9024 acres)	\$7,843,840
Works Department Portion (1.1396 acres)	1,823,360
Subtotal: Land Purchase	\$9,667,200
Other Land Acquisition Costs:	
Durham Regional Police Service Portion	\$270,802
Works Department Portion	62,945
Subtotal: Other Land Acquisition Costs	\$333,747
Total Expenditures	\$10,000,947

Financing	Project Budget
Durham Regional Police Service Portion:	
2024 Budget – Debenture Financing	\$8,114,642
Subtotal: Durham Regional Police Service Portion	\$8,114,642
Works Department Portion:	
2023 Budget - Regional Roads Levy (Project #R1823)	\$1,886,305
Subtotal: Works Department Portion	\$1,886,305
Total Financing	\$10,000,947

- 6.3 Durham Regional Police Service’s facility needs assessment, and the resulting long-term capital plan identifies the need for the construction of a new building at 991 Simcoe Street South. The new building will feature 27,000 square feet of interior space, sufficient for relocating the Regional Reporting Centre, Traffic Services, and Central Alternative Response and sufficient to support future growth. A preliminary site plan highlights the building location with separate site entry and site exit, staff and visitor parking and a vehicle garage (Appendix #2 of Attachment #3). The current estimated cost for this project, including land acquisition, design and construction is estimated at \$46.9 million and is detailed in the following table.

Description	Estimated Cost
Land Acquisition	
Land Purchase (Police Portion)	\$7,843,840
Other Acquisition Costs (Police Portion)	270,802
Subtotal Land Acquisition	\$8,114,642
Building	
Design	\$3,000,000
Construction and Furniture, Fixtures and Equipment	35,800,000
Subtotal Building	\$38,800,000
Total Cost	\$46,914,642

- 6.4 Durham Regional Police Service has included the estimated \$38.8 million capital costs for the design and construction of the new facility at 991 Simcoe Street South in their long-term capital plan which is recommended to be reviewed and considered as part of the development of a long-term operating and capital police service and

financing strategy prepared jointly by the Durham Regional Police Service and the Region of Durham Finance Department for presentation to the Durham Regional Police Service Board and Regional Council in 2025 for consideration and approval.

- 6.5 Based on current interest rates for a 15-year debenture, the estimated annual debt servicing costs associated with the proposed \$8,114,642 debenture for the land acquisition is approximately \$788,400 and has been included in the 2025 Durham Regional Police Service Board Business Plan and Budget submission. Annual debt servicing costs will vary based on market conditions at the time of debenture issuance, the term of the debenture and the debenture instrument selected.
- 6.6 The Regional Treasurer has updated the Region's debt and financing obligation limit and has determined that the limit will not be exceeded with the issuance of this debenture.

7. Relationship to Strategic Plan

- 7.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal 5 – To provide exceptional value to Durham taxpayers through responsive, effective and fiscally sustainable service delivery.
 - b. Goal 5.1 – Optimize resources and partnerships to deliver exceptional quality services and value.
 - c. Goal 5.4 – Drive organizational success through innovation, a skilled workforce, and modernized services.

8. Conclusion

- 8.1 Region staff have negotiated the purchase of 991 Simcoe Street South for the realignment of Wentworth Street (Regional Road 60) and for the relocation of Durham Region Police Service's Regional Reporting Centre. The acquisition of the whole property will reduce property acquisition costs to the Region and the Region of Durham Police Service and allow the current Regional Reporting Centre to be redeveloped for a higher order use.
- 8.2 In accordance with the Budget Management Policy, this request by the Durham Regional Police Service Board has been brought to Finance and Administration Committee for their consideration.

8.3 The Works Department has assisted in the drafting of this report and the Commissioner of Works has reviewed the report and concurs with the recommendations in this report.

8.4 This report has been reviewed by the Legal Services Division – Office of the CAO.

9. Attachments

9.1 Attachment #1: Location Map

9.2 Attachment #2: Memo dated October 15, 2024 from the Durham Regional Police Service Board Chair Shaun Collier advising of the motion passed at the October 15, 2024 Police Service Board meeting approving the land acquisition of 4.90 acres at 991 Simcoe Street for \$8.1 million to be funded through the 2024 Budget.

9.3 Attachment #3: Confidential Durham Regional Police Service Report – Regional Reporting Centre – Property Acquisition dated October 15, 2024

Respectfully submitted,

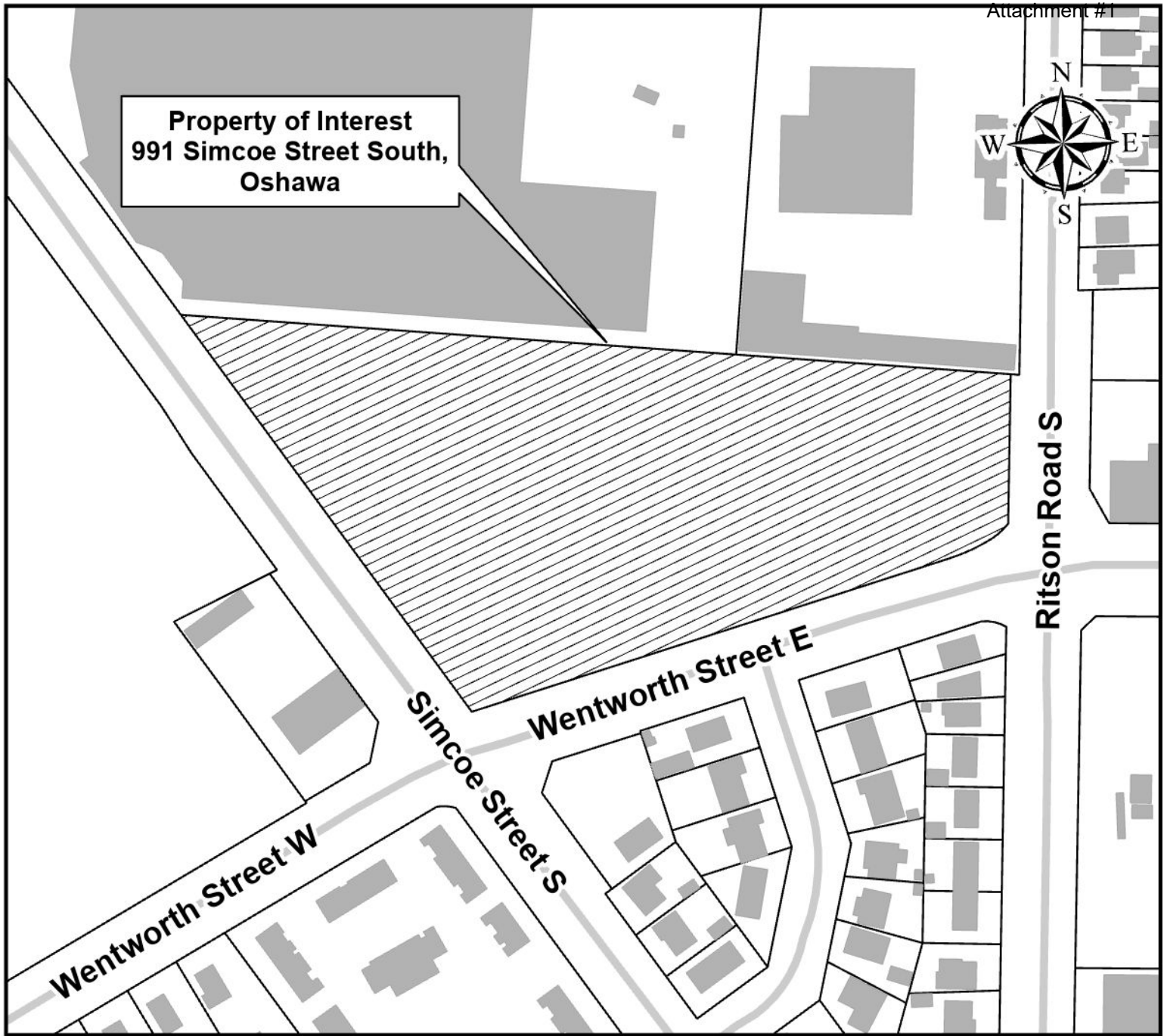
Original Signed By

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer



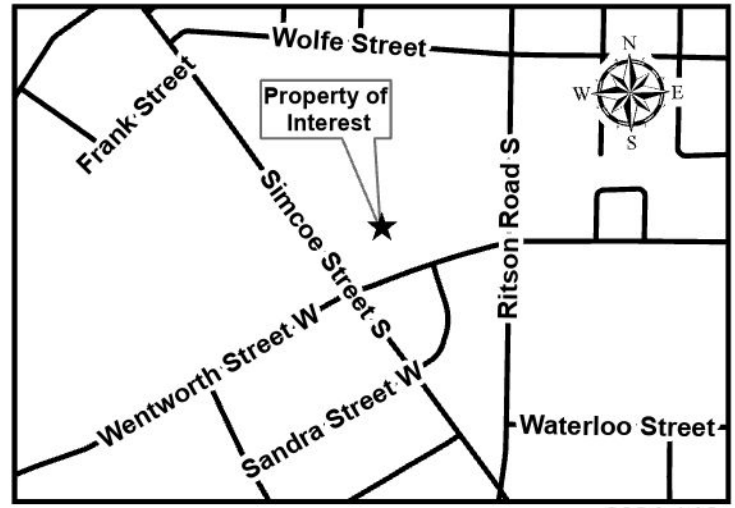
Property of Interest
991 Simcoe Street South,
Oshawa

Attachment # 1: Location Map

Property of Interest

991 Simcoe Street North, City of Oshawa

- Ownership Parcels
- Property of Interest
- Building Footprints



GIS Data: Produced by Durham Region, 2024.
 2023 Orthophotography provided by © First Base Solutions Inc.
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MEMORANDUM

TO: Teresa Fetter, Director, Business Services

FROM: Durham Regional Police Service Board Chair Shaun Collier

DATE: October 15, 2024

RE: Regional Reporting Centre- Property Acquisition

Please be advised that the Board passed the following motion at its meeting held on October 15, 2024:

Moved by: Mark Welch

Seconded by: Garry Cubitt

“THAT the Board receives and approves the land acquisition of 4.90 acres at 991 Simcoe Street, Oshawa as outlined, for \$8.1 million, fully funded through the approved 2024 Budget.”

Carried.

M271-24



Chair Collier

c.c.: Chief Moreira

Attachment: DRPS Report to the Board –Regional Reporting Centre- Property Acquisition



REPORT TO THE POLICE SERVICE BOARD

Author: Teresa Fetter, Director, Business Services

Date of Report: 10/15/2024

Type of Report: Public

Title: Regional Reporting Centre – Property Acquisition

RECOMMENDATION

“That the Board receives and approves the land acquisition of 4.90 acres at 991 Simcoe Street, Oshawa as outlined, for \$8.1 million, fully funded through the approved 2024 Budget”.

EXECUTIVE SUMMARY

In March 2022, the Region informed the Service of its intention to redevelop the lands at 590 and 650 Rossland Road to support an affordable housing project, in partnership with the Province of Ontario. The Service currently occupies the 3.5-acre site at 650 Rossland which houses the Regional Reporting Centre, including space for the Durham Accident Support Services, managed through a shared services agreement.

The Service first included this project in its 2023 - 2032 long-term capital plan. The 2024 approved budget included \$9.0 million for the acquisition of replacement land. The proposed 2025 – 2034 long-term capital plan includes additional amounts for design and building construction, estimated to be \$38.8 million. The Service is currently having discussions with the Region to seek funding support representing the property's value (land and building) being released back to the Region.

In November 2023, the Region identified a potential site that they had an interest in purchasing, that may also be a suitable replacement of 650 Rossland Rd. The land parcel was 6.04 acres in size with the Region requiring 1.14 acres, leaving 4.90 acres available for the Service.

The Service assessed the property, the location, future growth, and traffic analytics when determining its suitability. The proposed location had been deemed fully suitable to meet the current operational requirements of the reporting centre.

The Region will be seeking Council approval to proceed to execute a purchase agreement for the full parcel of land at 991 Simcoe Street, Oshawa for \$9.7 million. The Service's total acquisition cost is estimated to be \$8.1 million, including \$7.8 million for land, plus \$0.3 million for other acquisition costs.

The purchase agreement is contingent upon the following two (2) additional contract terms:

1. Regional Council approval and
2. Region satisfaction with the results of environmental testing to be completed within 90 days of the contact execution date.

Should the second (2nd) condition not be fulfilled, the Service will have to re-consider the site suitability and likely re-engage the search process for another site.

DISCUSSION

The Regional Reporting Centre is located at 650 Rossland Rd. in Whitby. The Service has a shared space agreement with Durham Accident Support Services which is the official reporting centre for the Service. The centralized collision reporting centre assists in managing minor motor vehicle collisions which reduces the burden on the frontline officers. The two-story building, 50-year-old building has 17,416 square feet of useable space and is situated on a 3.5-acre parcel of land.

The proposed site at 991 Simcoe St. in Oshawa (Simcoe/Wentworth/Ritson) provides an acceptable replacement property. While being located further south of the current location (Garden/Rossland), using 2023 accident reporting statistics, it was found that 93% of collisions occurred within a 30-minute drive and 52% of collisions occurred within a 15-minute drive from the proposed location, consistent with the current location experience of 95% and 64% (**Appendix 1**).

The Service's long-term capital plan includes a new building on this site featuring 27,000 square feet of interior space, sufficient for the relocation of the Regional Reporting Centre, Traffic Services, and Central Alternative Response, and sufficient to support future growth. With a planned occupancy in 2027, a preliminary site plan highlights the building location with separate site entry and site exit, ample staff and visitor parking, and a vehicle garage (**Appendix 2**). The design focus will be on flexible space to ensure adaptability for future needs. Critical building systems infrastructure and technology requirements will be integrated to support long-term operations. The new construction will offer significant benefits by providing a modern, scalable, and purpose-built environment that better aligns with future growth and operational efficiency, and sustainability features.

Following the land acquisition, the Service will procure consulting services for the design and construction of the new building. The current estimated cost for the design and construction project is estimated to be \$38.8 million. **Table 1** provides a breakdown of the total capital project cost estimate of \$46.9 million, which excludes any financial consideration that may be received from the Region for the 650 Rossland Road property.

Table 1: Property Acquisition and Building Cost Breakdown

Description	Cost (Est) \$	Funding Source
Land	\$ 7,843,840	2024 Approved Budget (\$9M)
Other Acquisition Costs (1)	\$ 300,000	2024 Approved Budget (\$9M)
Sub-total: Land Purchase	\$ 8,143,840	4.90 acres
Building Design	\$ 3,000,000	2025 Proposed Budget
Construction, FF&E	\$ 35,800,000	2026-2034 Capital Plan
Sub-total: Building	\$ 38,800,000	27,000 sq. ft.
TOTAL COSTS (2)	\$ 46,943,840	Est. Occupancy 2027

(1) Other Acquisition Costs include, but not limited to: closing costs, survey and environmental fees

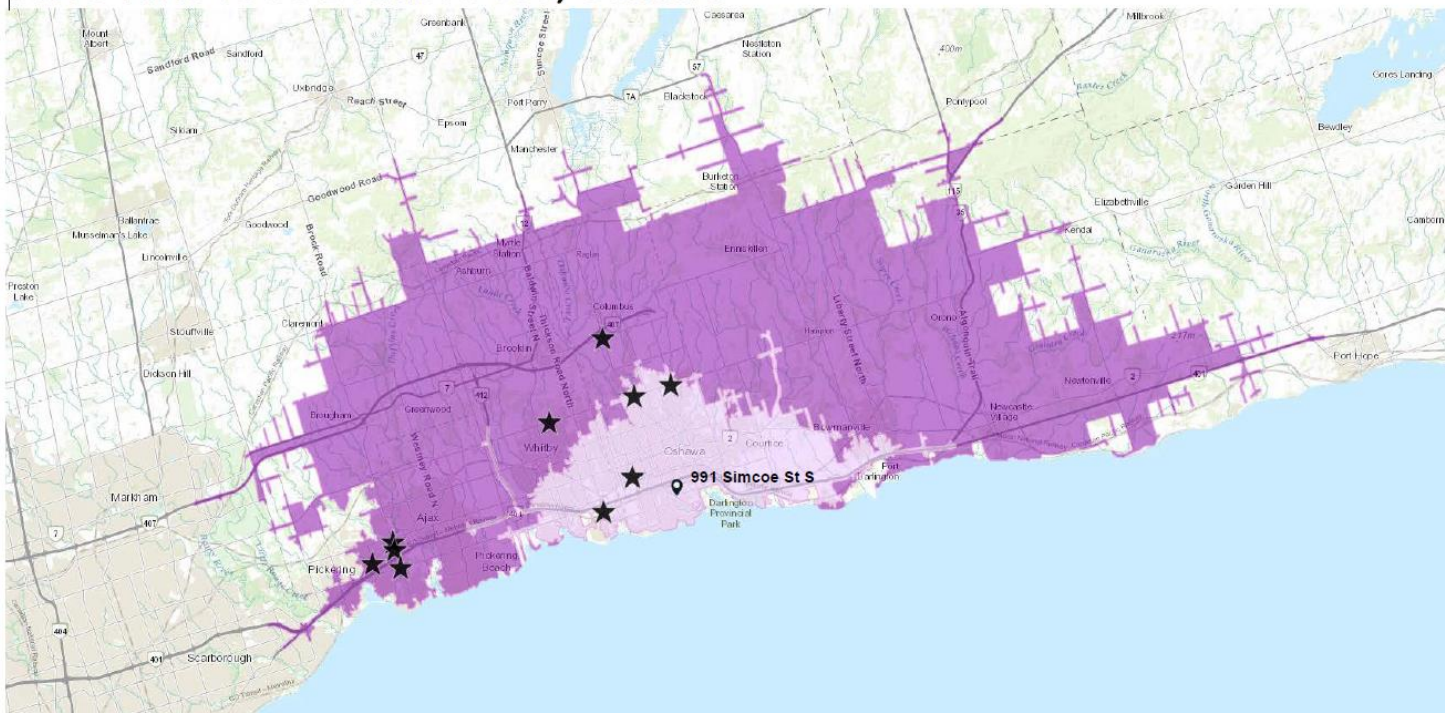
(2) Total Cost excluding any financial consideration for the land/building located at 650 Rossland Road, Whitby

RECOMMENDATION

The Service is recommending approval to proceed with the project, beginning with the land acquisition, upon satisfaction of the two (2) contract terms and supported by funding in the Service’s approved 2024 budget and 2025-2034 long-term capital plan.

APPENDIX 1: 2023 Collision Analysis Map of the proposed and existing locations

Drive Time To 991 Simcoe St S, Oshawa



Drive Time

Minutes

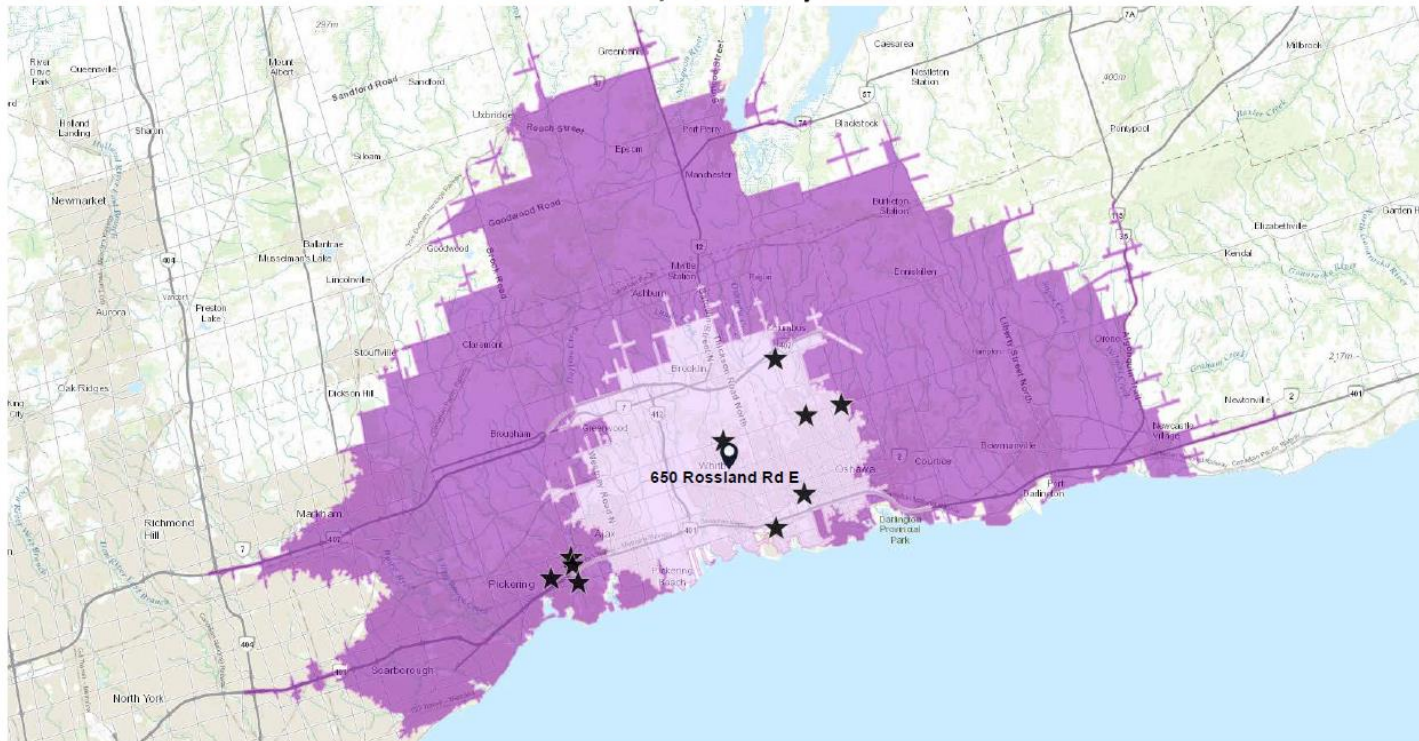


★ Top 10 Collision Intersection

93% of 2023 collisions occurred within a 30 minute drive to 991 Simcoe St S

52% of 2023 collisions occurred within a 15 minute drive to 991 Simcoe St S

Drive Time To 650 Rossland Rd E, Whitby



Drive Time

Minutes

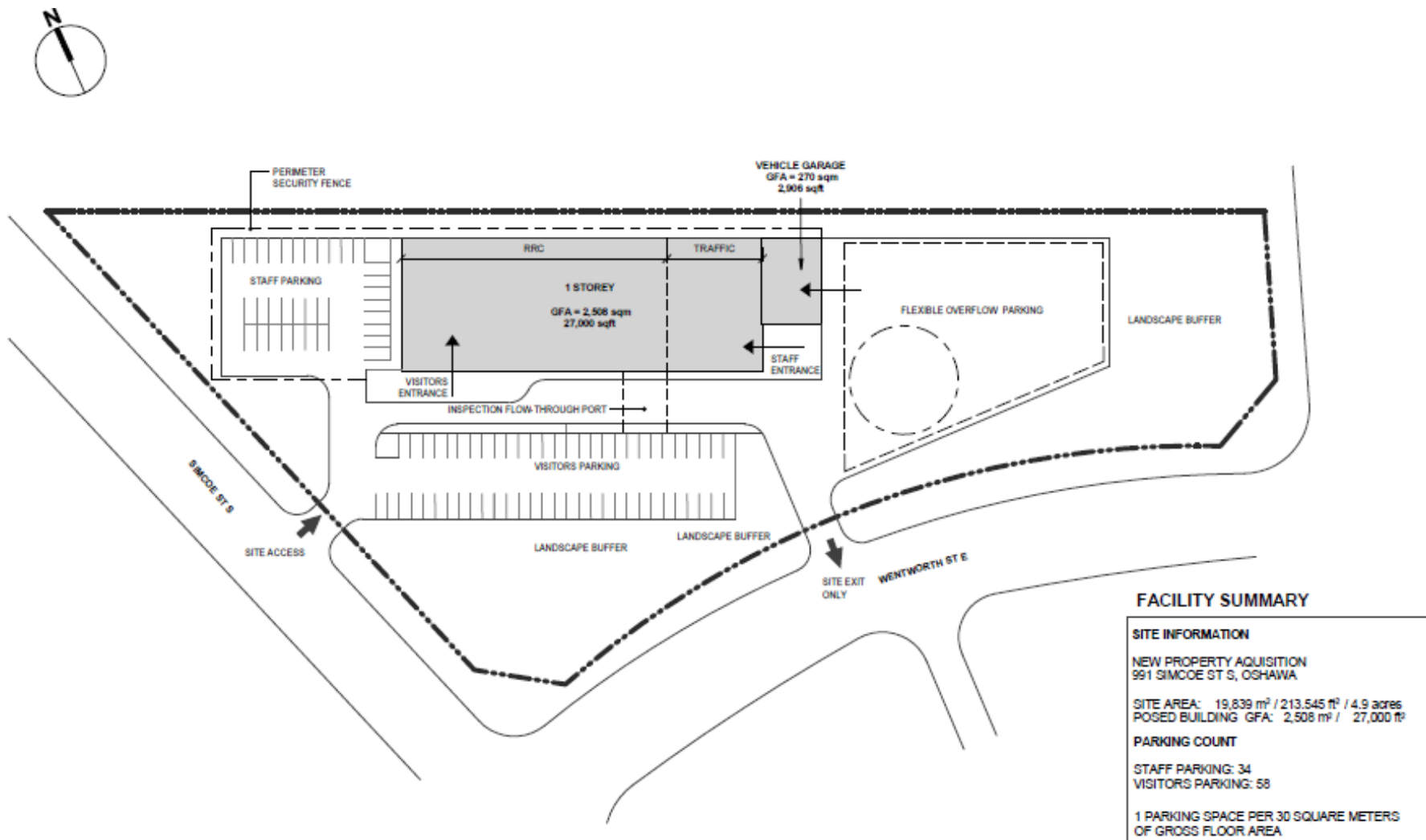


★ Top 10 Collision Intersection

95% of 2023 collisions occurred within a 30 minute drive to 650 Rossland Rd E

64% of 2023 collisions occurred within a 15 minute drive to 650 Rossland Rd E

APPENDIX 2: Preliminary Site Development Plan (991 Simcoe Street, Oshawa)



Report Approval Details

Document Title:	Regional Reporting Centre - Property Acquisition.docx
Attachments:	
Final Approval Date:	Oct 7, 2024

This report and all of its attachments were approved and signed as outlined below:

Stan MacLellan



Peter MOREIRA